

Message Text

CONFIDENTIAL

PAGE 01 ROME 15154 01 OF 02 161758Z

53

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INFO AMCONSUL MILAN

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C O N F I D E N T I A L SECTION 1 OF 2 ROME 15154

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SUBJECT: UMBERTO AGNELLI PROVIDES TECHNOCRAT SOLUTION
FOR PROBLEMS OF DC RENEWAL

REF: ROME 14737

SUMMARY: IN THE CONTEXT OF THE ONGOING DEBATE WITHIN THE CHRISTIAN DEMOCRAT PARTY (DC) ON POST-ELECTION POLICIES, AN IMPORTANT INITIATIVE FOR PARTY RENEWAL WAS LAUNCHED BY SEN. UMBERTO AGNELLI AT A MEETING OF SOME 50 PARLIAMENTARIANS AT ROME'S HILTON HOTEL. AFFIRMING THAT THE DC HAD REACHED THE LIMITS OF ITS ELECTORAL POTENTIAL ON THE BASIS OF SIMPLE ANTI-COMMUNISM, AGNELLI CALLED FOR A RADICAL TRANSFORMATION OF THE PARTY'S IMAGE TO ATTRACT THE ENTREPRENEURIAL MIDDLE CLASS. AGNELLI'S DC WOULD COMBINE THE PARTY'S TRADITIONAL CATHOLIC IDEOLOGY WITH GISCARDIAN TECHNOCRAT VALUES OF EFFICIENCY AND PRODUCTIVITY IN THE EUROPEAN LIBERAL AND SOCIAL-DEMOCRATIC TRADITION. REACTION WITHIN THE PARTY HAS BEEN GENERALLY SKEPTICAL: CONSERVATIVES BELIEVE THE DC MUST STAND FOR SOMETHING MORE THAN TECHNICAL COMPETENCE, WHEREAS THE PARTY'S LEFT MISTRUSTS THE MANAGERIAL ELITE THAT AGNELLI REPRESENTS. THE INITIATIVE MAY NONETHELESS HAVE STIMULATED SOME USEFUL DISCUSSION ON WHAT THE "NEW DC" SHOULD BE. END SUMMARY.

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 ROME 15154 01 OF 02 161758Z

1. DC POLITICIANS REPRESENTING VARIOUS PARTY FACTIONS HAVE BEEN ACTIVE IN RECENT WEEKS SEEKING TO SOLIDIFY THEIR POSITIONS IN PREPARATION FOR THE SEPTEMBER 22-25 DC PARLIAMENTARY SEMINARS. THESE MEETINGS OF PARLIAMENTARIANS AND EXPERTS WERE ORIGINALLY DESIGNED TO CLARIFY THE PARTY'S POLICIES ON THE FULL RANGE OF THIS FALL'S LEGISLATIVE ISSUES. HOWEVER ZACCAGNINI'S DECISION TO TEMPORIZE ON FANFANI'S CALL (IN HIS CAPACITY AS PARTY PRESIDENT) FOR AN EARLY SEPTEMBER DC NATIONAL COUNCIL MEETING (NOW SCHEDULED FOR OCTOBER 7-9) HAS INCREASED THE IMPORTANCE OF THE PARLIAMENTARY SEMINARS. TAKING UP THE SLACK, THE SEMINAR SPEAKERS ARE EXPECTED TO ADDRESS BROADER PROBLEMS OF PARTY ORGANIZATION AND POLICY IN THE WAKE OF THE CHANGED SITUATION BROUGHT ABOUT BY THE JUNE ELECTIONS AND FORMATION OF A DC MINORITY GOVERNMENT. ACCORDING TO DC CHAMBER HEAD PICCOLI, THE SEMINARS WILL ENABLE "THE LIVELY AND POSITIVE DEBATE UNDERWAY IN THE DC TO BE REDIRECTED BACK INTO INSTITUTIONAL FORA."

2. THE INTERNAL DEBATE TO WHICH PICCOLI REFERRED IS INDEED ACTIVE. IT IS BEING CONDUCTED AT INFORMAL GATHERINGS OF THE VARIOUS CORRENTI (E.G., COLOMBO SEP 16, FANFANI SEP 18-19), BY INDIVIDUALS AND GROUPS (THE FRACANZANI DECLARATION ON THE NEED FOR RENEWAL); AND IN FORMAL MEETINGS (SUCH AS THE SEP 16-19 SAINT VINCENT REUNION OF THE DC LEFT).

3. IT IS WITHIN THIS CONTEXT OF INTERNAL PARTY DEBATE THAT SENATOR UMBERTO AGNELLI ORGANIZED A TWO-DAY MEETING, SEP 3-4, OF SOME 50 DC PARLIAMENTARIANS AT ROME'S HILTON HOTEL ON THE THEME OF "THE DC IN THE NEW POLITICAL SITUATION." REPRESENTATIVES OF ALL THE FACTIONS WERE INVITED (ONLY FORZE NUOVE DECLINED). HOWEVER, THE GUEST LIST WAS WEIGHTED TOWARD THE YOUNGER, REFORM-MINDED PARLIAMENTARIANS (MAZZOLA, SEGNI, ROSSI DE MONTELEA, MAZZOTTA), TECHNOCRATS (PANDOLFI, ANDRE-ATTA) AND BUSINESSMEN (ALETTI, MERLONI). AT PAINS TO DISPEL THE NOTION THAT HE INTENDED TO FORM A NEW "FIAT CORRENTE," AGNELLI NONETHELESS EVIDENTLY HOPED THAT THE ATTENDEES COULD REACH AGREEMENT ON THE ISSUANCE OF A DECLARATION OF PRINCIPLES WHICH WOULD CARRY WEIGHT IN UPCOMING DC MEETINGS, BEGINNING WITH THE PARLIAMENTARY SEMINARS. THE MEETINGS, HOWEVER, FAILED TO PRODUCE A DOCUMENT. ACCORDING TO THE GROUP'S CONFIDENTIAL

CONFIDENTIAL

PAGE 03 ROME 15154 01 OF 02 161758Z

PRESS SPOKESMAN (SEN. DEVITO), THE "HILTONITES" DIDN'T WANT TO CREATE PROBLEMS IN THE PARTY BY ISSUING A DECLARATION WHICH COULD BE MISINTERPRETED AS CRITICISM OF ZACCAGNINI'S LEADERSHIP. COMMENT: IT APPEARS LIKELY THAT AGNELLI'S PROPOSALS ALSO PROVED TOO CONTROVERSIAL TO REACH A MEANINGFUL CONSENSUS AMONG SUCH A DISPARATE GROUP. END COMMENT.

4. THE MAIN ELEMENTS OF AGNELLI'S ADDRESS HAVE BEEN WIDELY

PUBLICIZED IN THE PRESS (IN CONTRAST TO THE SPARSE INFORMATION THAT HAS SEEPED OUT ON THE VIEWS OF OTHERS PRESENT). AGNELLI BEGAN WITH AN ANALYSIS OF THE CHANGES WHICH HAVE TAKEN PLACE AS A RESULT OF THE JUNE ELECTIONS, SUCH AS THE INCREASED IMPORTANCE OF PARLIAMENT WITH RESPECT TO THE GOVERNMENT, AND THE NEW OPEN "CONFRONTO-SCONTRO" WITH THE PCI WHICH WILL MORE AND MORE REPLACE THE OLD INFORMAL AND "SOTTOBANCO" RELATIONSHIPS. WHILE THE PCI IS READY TO TAKE ADVANTAGE OF THESE CHANGES, AGNELLI SAID THAT THE UNPREPAREDNESS OF THE DC IN MATTERS OF POLICY AND STRATEGY CAN BUT RESULT IN THE DAILY SURRENDER OF POLITICAL INITIATIVE TO THE PCI.

CONFIDENTIAL

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PAGE 01 ROME 15154 02 OF 02 161740Z

53

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C O N F I D E N T I A L SECTION 2 OF 2 ROME 15154

5. ACCORDING TO AGNELLI, THE REMEDY REQUIRES A RADICAL TRANSFORMATION OF THE DC'S RELATIONSHIPS WITH THE LAY PARTIES, AND ABOVE ALL, THE "PRODUCTIVE BOURGEOISIE". THE DC, HE ASSERTED, HAS GONE AS FAR AS IT CAN GO IN ATTRACTING VOTES SOLELY ON THE BASIS OF "WAVING THE ANTICOMMUNIST FLAG." IN ORDER TO EXPAND ITS BASE, IT MUST SEEK THE SUPPORT OF THE "REFORMIST MIDDLE CLASS WHICH WANTS TO IMPROVE RATHER THAN MODIFY THE SYSTEM". IT MUST RECUPERATE THOSE MIDDLE CLASS VOTES WHICH WENT TO THE PCI "PARTLY FOR LACK OF AN ALTERNATIVE AND PARTLY IN THE BELIEF OF THE PCI'S MORAL AND REFORMIST CAPABILITIES".

6. IN ORDER TO WIN THE "COMPLEMENTARY VOTES" OF THE ENTREPRENEURIAL MIDDLE CLASS, AGNELLI CALLED FOR A SHIFT FROM

"POPULISM, CLIENTISM, AND CONSERVATISM" TO GREATER "EFFICIENCY, PRODUCTIVITY, MODERNIZATION." AGNELLI'S ANSWER IS ESSENTIALLY THE EUROPEANIZATION OF THE PARTY: BROAD TIES WITH WESTERN SOCIETY AND FULL PARTICIPATION IN "THE LIBERAL AND SOCIAL-DEMOCRATIC TRADITION OF EUROPEAN SOCIETY WITHIN THE FRAMEWORK OF PROGRESSIVE, OPEN, PLURALISTIC NEO-CAPITALISM". PARTICIPATION IN THE EC AND NATO MUST BE ACTIVE RATHER THAN FORMAL, WITH THE VIEW OF MAKING ITALIAN SOCIETY MORE EUROPEAN IN NATURE.

7. TO THE EXTENT THAT "THE ELEMENTS OF SOCIALISM" THAT BER-
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 ROME 15154 02 OF 02 161740Z

LINGUER WISHES TO INTRODUCE ARE COMPATIBLE WITH THE FRAMEWORK OF A MODERN EUROPEANIZED PARTY, THE DC SHOULD ACCEPT THEM WILLINGLY. BUT MORE OFTEN THAN NOT, THEY WILL BE INCOMPATIBLE, AND THE DC MUST CLEARLY CONTRAST ITS POSITION. IT MUST NOT BE AFRAID TO SAY NO. FOR EXAMPLE, THE DC MUST FOREGO ITS "PREDISPOSITION" FOR THE TRADE UNIONS, "REMEMBERING THAT AFTER ALL THE UNIONS REPRESENT WORKERS AND NOT THE ENTIRE SOCIETY." INSTEAD OF THE LOGIC OF "FLAT EGALITARIANISM" WHICH THE DC TOO OFTEN MINDLESSLY DEFENDS, THE PARTY SHOULD FORM ITS POSITIONS ON THE BASIS OF "MERIT, EFFICIENCY, AND PROFESSIONALISM."

8. HOW SHOULD THE DC COMBAT THE PCI? NOT BY ENGAGING IN A COLD WAR WHICH WOULD DANGEROUSLY SPLIT THE COUNTRY, AGNELLI SAID, BUT BY CONFRONTING THE PCI WITH DETAILED, SUBSTANTIVE POLICIES. THE PCI HAS ITS OWN WEAKNESSES; IT HAD POSTPONED ITS OWN INTERNAL CRISIS BY APPEALING TO "INTER-CLASSISM." OVER THE LONG TERM, THIS WILL CREATE CONTRADICTIONS WITHIN THE PARTY WITH THE PCI'S BASIC STRUCTURE OF "DEMOCRATIC-CENTRALISM."

9. IN ORDER TO PROVIDE SUBSTANCE TO RENEWAL, THE DC MUST BROADEN ITS MEMBERSHIP BASE (MEMBERSHIP CAMPAIGNS, REAL DEMOCRATIZATION IN DECISIONMAKING), ESTABLISH AN ACTIVE, DE-CENTRALIZED PARTY ORGANIZATION (NOT JUST AN ELECTORAL MACHINE), AND REFUSE PARTICIPATION ON THE "ASSEMBLY" MODEL FROM THE LOCAL LEVEL ON UP. AGNELLI IDENTIFIED THREE AREAS FOR PRIORITY ATTENTION: YOUTH, WOMEN AND THE MIDDLE CLASSES. IT IS NOT SUFFICIENT TO OBTAIN THEIR VOTES; THEY MUST BE BROUGHT INTO THE PARTY. AGNELLI SAID THAT THESE GROUPS ARE "NEITHER HOSTILE NOR INDIFFERENT TO THE DC'S "TRADITIONAL VIEWS AND CATHOLIC IDEOLOGY," BUT TO ATTRACT THEM THE DC MUST BE RECEPTIVE TO THEIR VALUES AND NEEDS.

10. AGNELLI'S CALL FOR A MARRIAGE BETWEEN ENTREPRENEURIAL AND TRADITIONAL VALUES PRODUCED A LIVELY BUT GENERALLY SKEPTICAL REACTION WITHIN THE DC. SOME LIKE MAZZOLA (FAVORABLE ON THE WHOLE) DISPUTE AGNELLI'S APPARENT ACCEPTANCE OF THE BI-

POLARIZED DC/PCI POLITICAL SITUATION, PLACING GREATER EMPHASIS ON THE NEED TO RECONSTRUCT A NEW ALLIANCE WITH THE PSI AND LAY PARTIES. MOST OF THE SKEPTICS HAVE IDEOLOGICAL PROBLEMS WITH AGNELLI'S THESIS. FOR EXAMPLE, CULTURE AND SCIENCE
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 ROME 15154 02 OF 02 161740Z

MINISTER PEDINI (DC-RIGHT) COMMENTED THAT "RE-LAUNCHING THE DC ISN'T ONLY A PROBLEM OF TECHNICAL EFFICIENCY." IN THE VIEW OF GALLONI (DC-LEFT), AGNELLI'S TECHNOCRATIC DC WOULD BECOME A FORCE FOR CONSERVATISM. EVEN MORE WIDESPREAD, THERE APPEARS TO BE RELUCTANCE AMONG MANY DC POLITICIANS ON BOTH THE RIGHT AND LEFT TO BE "TAINTED" BY TOO CLOSE AN ASSOCIATION WITH WHAT AGNELLI REPRESENTS: THE MANAGERIAL ELITE.

1. REACTION OUTSIDE THE DC WAS SIMILARLY NEGATIVE. THE PCI WAS PARTICULARLY SCORNFUL OF AGNELLI'S RENEWAL FORMULA ON THE "BASIS OF THE MODEL OF ADVANCED CAPITALISM." THE PSI LABELED AGNELLI'S PROGRAM "A DC PATTERNED AFTER FIAT." ON THE OTHER HAND, ALTHOUGH IT IS NOT CLEAR HOW THE PRI COULD BENEFIT IF THE DC ASSUMED ESSENTIALLY PRI VALUES, A PRI SOURCE JUDGED AGNELLI'S INITIATIVE AS "POSITIVE".

12. COMMENT. IT IS NOT SURPRISING THAT THE TRADITIONAL DC POLITICAL STRUCTURE REACTED UNENTHUSIASTICALLY TO AGNELLI'S IDEAS FOR RENEWAL. THE WEIGHT OF CLASS AND IDEOLOGICAL FACTORS CANNOT BE OVER-ESTIMATED. MOREOVER, AGNELLI IS A NEW BOY ON THE BLOCK--ARTICULATE, MONEYED AND WELL-CONNECTED. UNTIL NOW, THE DC HAS NOT HAD TO MAKE ROOM, EITHER IDEOLOGICALLY OR STRUCTURALLY, TO ACCOMODATE THE REFORM-MINDED INDUSTRIALIST-POLITICIAN REPRESENTED BY AGNELLI. MUCH AS THE "HILTON-ITES" REJECT THE IDEA OF A NEW GROUPING, IT WOULD NOT BE SURPRISING IF A NUMBER OF LIKE-MINDED YOUNG PARLIAMENTARIANS--FRUSTRATED BY THE POWER OF THE OLD-GUARD--EVENTUALLY COALESCE UNDER THE LEADERSHIP PRESTIGE AND FINANCIAL SUPPORT THAT AGNELLI CAN PROVIDE. END COMMENT. BEAUDRY

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